

have flagged the various parts of it that are so troublesome. This is about 4,500 words in total. And it is interesting, it is being marketed on the basis of treatment. It provides treatment to people, that if we approve this, Californians will receive treatment. But of its 4,500 words, only 383 of them speak directly within the initiative to providing treatment for people. So can you imagine that, less than a tenth of the words in this initiative.

Let me tell my colleagues that what this initiative really does is it imposes the wisdom of a criminal defense attorney, it interjects that into California statute under the guise of providing treatment for folks who need drug treatment.

There is nothing in here that provides treatment to Californians. It changes criminal statute to allow people who violate our laws as it relates to drug possession and use are treated, but it does not provide a single dollar for drug treatment to people who desperately need it.

And keep in mind that this is an initiative written by a criminal defense attorney. The initiative itself was funded by three people who do not even live in California. There is no medical analysis, no medical input to drafting this. It is a shameful fraud being, attempting to be perpetrated on the voters of California.

In fact, Mr. Speaker, just in the course of our committee hearings, the gentleman and I have heard time after time after time from medical professional after medical professional after medical professional that drug testing is an inherent and integral part of a successful drug treatment program. This initiative, the \$120 million to be appropriated under this initiative, not a dime of it can be used for drug testing whatsoever. So the initiative eliminates the chance to use the most successful tool we have. I just want to make that clear.

I appreciate being able to come down here and visit with the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, I thank the gentleman from California (Mr. OSE) for his comments, and I thank him for the leadership on our Subcommittee on Criminal Justice, Drug Policy and Human Resources.

As we conclude, I again call to the attention of my colleagues, the Speaker, and the American people the need to be vigilant on the issue of illegal narcotics, not to make the mistake of the past, not to be fooled by the legalizers, but to make this country safe for our children and the next generation and stop the ravages of illegal narcotics. Because illegal drugs do destroy lives and do a great deal of damage to our society and our country and particularly to our families and young people.

NATIONAL ENERGY POLICY IN AMERICA

The SPEAKER pro tempore (Mr. MARTINEZ). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Mr. Speaker, I rise today to discuss the Democrats' and the Clinton-Gore administration's energy policy versus the Republicans' lack of energy policy and the Republicans' support for big oil rather than the consumers.

I also have to underscore the fact that the Democrats' energy policy protects rather than sacrifices environmental protection.

I know I am going to be joined this evening by some of my colleagues, and I wanted to first yield if I could to the gentleman from the great State of Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from New Jersey for yielding to me, and I appreciate very much his taking this time today to talk about the lack of a national energy policy.

Perhaps the best known price in America today is that of gasoline. Americans see it posted along the road a dozen or two times a day. They pull in to fill up every week to 10 days, if not more often.

It is also a price that perhaps because of that visibility can generate a lot of heat, especially when it is going up, as it has this year.

This is in fact a price that tells the complex story of global supply and demand, of technological change and of environmental consciousness, and of shifting consumer taste and social change.

Despite the long-term trend, prices move up and down a great deal. These fluctuations can be caused, among other things, by political events, shift in supply and demand of fuel, weather, the level of inventories, disruptions in refinery operations, and the introduction of new environmental standards.

□ 1630

Over the last year or so, retail gasoline prices in the United States have bounced down and then up from very low levels and then back up to very high levels. In February of 1999, the national average retail price fell to 95 cents per gallon, the lowest since 1989 in nominal dollars and one of the lowest levels ever seen in inflated dollars, and 30 percent lower than the price 2 years earlier. Not much more than a year later, they had risen to the recent highs of over \$1.50 per gallon nationwide.

These price swings were detrimental to the producer and the consumer. The trucking industry, for example, in my district and all over the United States had a hard time maintaining operations as usual under the economic

strain experienced by their businesses as a result of these price increases. Agriculture also has borne the brunt. Today, high oil prices reflect in part the U.S. economic boom and recovering economies elsewhere.

According to the study done by Cambridge Energy Research Associates, gas price conditions felt this summer were attributed to four primary forces acting on the market: number one, the price of crude oil, where for every \$1 per barrel, gasoline prices increased 2 to 3 cents; two, inventories are low based on production constraints; three, new environmental regulations have created numerous variations, RFG, ethanol, MTBE, in gasoline contents making it difficult to transport or mix gas from one area into the next during times of crisis; four, the booming economy has created a 2 percent higher demand for gasoline over last summer. This coupled with the fact that Americans are driving more per person per year, 13,000 miles per person per year, has increased demand.

The last President or last administration to attempt to create a new energy policy was President Carter. I cannot remember a time when the Congress, particularly in the last 6 years, in which we have had a serious debate in this Congress regarding energy policy.

A national energy policy is a must for the United States and this policy must decrease America's dependence on foreign oil. Our Nation gets almost 60 percent of our oil from foreign sources, and this is absolutely unacceptable as it puts our economic and national security at risk. The rejuvenation of the domestic oil and gas industry will benefit all Americans and ensure an energy security for this Nation far into the future. Wide swings in price are not good for consumers or for producers. I happen to represent the oil patch. Less than 2 years ago when oil prices were at critically low levels, we had \$8 per barrel prices, domestic oil and gas producers in my district, the 17th District of Texas, were struggling to keep their operations open and many did not.

In my district, claims for unemployment from the oil and gas industry quadrupled from 1,171 to 4,730 between December of 1997 and December of 1998. During this time, the lost wellhead value dropped \$5.79 million and the value of oil to the Texas economy dropped by almost \$1 billion. The number of producing wells declined by 2,855 during this time as well. In my home county of Jones, oil production in December of 1997 was 83,706 barrels; in December of 1998 it had dropped to 69,000 barrels; and in December of 1999 it had declined to 58,000 barrels. That is a decline of 25,000 barrels per month from December of 1997 to December of 1999, or a decline of 30 percent. Total domestic crude oil production has declined

from 8.7 million barrels per day in the United States in 1986, the first oil price collapse, to 5.9 billion barrels per day.

When prices are below the cost of exploring and producing crude, these small independent producers cannot stay in business, and it has a ripple effect throughout local communities as schools and hospitals in Texas rely on a healthy oil and gas industry for revenues. At the time, we warned that critically low prices have the potential to turn into a price shock. Unfortunately, this is a lesson that we should have learned many times over the last 2 decades. I would like to find any evidence anywhere in which this Congress, the 106th, attempted to do anything about the low prices.

If there was a time of dramatic demonstration, the compacted experience of the last 3 years with its highs and lows illustrates the need for our Nation to take responsibility for its energy future. We do need a free market for the production of energy, but it cannot be a free market dominated by foreign producing countries that do not have our best interests at heart. Congress needs, in fact must consider measures to help restore market stability with domestic crude oil and natural gas prices, maintaining a level where domestic producers can compete in a global market. However, our national energy policy must recognize both producer and consumer issues.

Last week, the House considered the energy and water appropriations conference agreement which deleted language added in by the House earlier this session to reauthorize the Strategic Petroleum Reserve and to create a Northeast home heating oil reserve. I find it reckless that in the midst of home heating oil shortages in the Northeastern States, this Congress is on the verge of allowing the President's authority to use the Strategic Petroleum Reserve to lapse.

Authorization of the SPR expired on March 31 of this year, 6 months ago. The House supported a measure that would reauthorize the SPR, the Strategic Petroleum Reserve, and ensure that it would be filled with domestic crude oil to capacity with specific options leading to the expansion of the SPR capacity. Many of us stood on this floor and through letters and Dear Colleagues encouraged the Congress 2 years ago when we had the opportunity to buy oil from domestic producers at \$8 a barrel and put it into the Strategic Petroleum Reserve which would have been a good investment for this country, a good investment for taxpayer dollars, to buy it at \$8, to support the domestic industry when we had a chance to. But because of overt concerns about unrealistic budgets, the majority on this body refused to even consider it.

It is irresponsible, I believe, to refuse that the SPR be reauthorized, giving

this and future Presidents all means available to respond to any possible energy supply emergency. It is in our national security interest. The Department of Energy cannot establish a regional home heating oil reserve until Congress either reauthorizes the SPR or separately passes legislation authorizing the creation of such a reserve with a responsible trigger. Are we trying to send a message from Congress to many vulnerable consumers that they will have to sacrifice other needs just to heat their homes this winter? Additionally, shortages in natural gas will be the next energy issue before us when brownouts start occurring in cities short on natural gas used to create electricity, a direct result of the collapse of the independent oil and gas producing industry in the United States because when you stop drilling for oil, you also stop drilling for gas. Gas is often found in the process of discovering oil. That is something that we have been very, very shortsighted on with our, again, lack of a national energy policy.

Let me just quickly outline some of the things that this Congress should have done this year, or last year. Congress needs to consider measures to help restore market stability with domestic crude and natural gas prices maintaining a level where domestic producers can compete in a global market. However, our national energy policy must recognize both producer and consumer issues. We need to enact legislation that provides tax relief for marginal well production, providing a safety net for producers when prices are critically low. We need to enact legislation that provides tax incentives for inactive well recovery aimed at bringing plugged or abandoned wells back on line. We need to pass the Watkins-Stenholm proposal that would correct the inequity facing American oil producers who must meet regulatory costs avoided by producers in other countries by imposing an environmental equalization fee on imported crude oil and refined products at the level of cost domestic producers currently spend on compliance with Federal environmental regulations.

We need to encourage production of unconventional fuels. I have recently cosponsored the Energy Security for American Consumers Act that aims to stimulate production of unconventional gas in the hope that our Nation will be better equipped to meet our future energy needs. This bill would extend the section 29 tax credit for unconventional gas production and will provide the energy sector with a necessary incentive to produce gas that is both difficult and costly to obtain.

We need to enact legislation expensing geological and geophysical costs, delaying rental payments and extending the suspension of net income limitation of percentage depletion for mar-

ginal wells. We need to enact a low-cost emergency lending program for the benefit of domestic oil and gas producers. We need to enact legislation that would enhance recovery and wildcat exploration. We must open our Federal lands, both onshore and offshore, except in the most treasured environments, to responsible exploration. From 1997 to 1999, oil well completions for drilling for new reserve declined 54 percent. But by providing financial incentives to increase domestic oil production and exploration, we can encourage the discovery of new domestic oil reserves.

We need to ensure that the Strategic Petroleum Reserve is filled with domestic crude oil to capacity and to the extent that the filled capacity does not meet a 90-day supply of foreign imported petroleum, expand the SPR capacity. We need to ensure that the Northeastern States are not in the position where they are facing home heating oil shortages that will harm consumers by establishing a home heating oil reserve in the Northeast. Despite the fact that the President acted administratively in July to create it, the Congress still needs to authorize the use of this new reserve.

We need to enact legislation to promote new developments in the access, production and use of natural gas. We need to enact legislation to promote research in exploring other avenues of energy, including solar, wind, hydroelectric and other renewable energy resources. We need to enact legislation to provide tax incentives encouraging consumers to make energy-efficient improvements to their homes and purchase energy-efficient automobiles, as well as further promote and fund LIHEAP.

It is imperative that Congress work together setting aside partisan differences to ensure price stability, prices that are not so low that producers are put out of business and prices that are not so high that they hurt consumers and threaten our economy. America needs a balanced, forward-looking energy policy based on the proposals that have been put before this Congress. We need a responsible approach that will infuse our energy sector with both efficiency and competition seeking to protect America against emergencies in the energy market.

Mr. Speaker, these are the things that we should have done. I would challenge very many individuals on either side of the aisle to show anything that we have done other than not avoid the temptation of pointing the finger. There are many, many solutions. I am very happy today, and I again thank the gentleman from New Jersey for taking this 1 hour. I thank him for allowing me to show at least in this one Member's mind some of the things that we should have been doing in this Congress, and some of the proposals that

are being advocated now of where we need to go in the next administration and in the next Congress.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Texas for his remarks and two things, first of all, I think he points out very successfully, that it is the Congress that needs to act on authorizing these energy initiatives that would help the American consumer, and we know that for the past 6 years, the Republicans have been in the majority and they have not done it. I know the gentleman does not like to point a finger; but the bottom line is, the Republican leadership runs this place, and they have not put forward an energy policy, and they have not been willing to enact the policies that the Clinton-Gore administration have put forward.

I also wanted to thank my colleague because I see the concern he expressed for the Northeast, particularly the need to authorize the Northeast home heating oil reserve which, again, the Republican leadership has not been willing to do and has been trying to stop the reserve actually from being passed. The gentleman mentioned gas prices. There is an article in the *Star Ledger*, which is the major newspaper in my home State of New Jersey, today that is entitled "Gas Heat Costs Will Be Soaring. Jersey's Four Utilities Want Rate Hikes as High as 40 Percent." If I could just in the first couple of paragraphs of the article, it says:

Heating bills could rise as much as 40 percent for some New Jersey consumers this winter if rate increases requested yesterday by the State's four natural gas utilities are approved by regulators. The four utilities covering millions of customers filed petitions seeking emergency relief with the State board of public utilities which is expected to act on the proposals at its next meeting on Tuesday. The increases would be effective immediately.

So what he is saying about the impact ultimately on gas prices is certainly coming true. Most important is the fact that the Republican leadership continues to oppose the President's initiative, backed up by Vice President GORE, to tap the Strategic Petroleum Reserve, the SPR. I just wanted to point out briefly, and then I would like to yield to my other colleague from Texas, that it is ironic that Governor Bush and the Republican leadership here and the Republican leadership on the Committee on Commerce, which I serve on which has jurisdiction over energy policy, continue to criticize the President and the Vice President with regard to the SPR, because if I could just recount a little history here because I think it is important since the Republican leadership came into the majority, or actually I could take it even further back to when President Bush was in office.

When President Bush sold oil from the reserve from the SPR during the Gulf War, domestic reserves were high-

er than today and crude prices were \$5 per barrel cheaper. Yet he said he released the oil not because of national security but to, "calm the markets." So even President Clinton's predecessor, President Bush, recognized the fact that the SPR could be tapped, not for security reasons, but to make sure that prices did not continue to rise.

□ 1645

But, beyond that, since the Republican leadership has been in charge here in the Congress, since 1996, they twice passed laws requiring the sale of oil from the reserve, over 28 million barrels, to help pay for GOP budget priorities. Selling the oil from the SPR just to make ends meet in terms of the budget. Then, last year, in 1999, the Republican leaders, the gentleman from Texas (Mr. ARMEY) and the gentleman from Texas (Mr. DELAY), joined 35 other Republicans to introduce a bill that would not only eliminate the Department of Energy, but abolish the Reserve, abolish the SPR.

Since taking control, Republicans have let the President's authority to fully use the Reserve lapse three times, totaling 18 months. The SPR authority last lapsed on March 31. In 1999, Republicans blocked the Clinton Administration proposal to buy 10 million barrels of oil when crude prices were only \$10 a barrel. This is what the gentleman from Texas (Mr. STENHOLM) was saying. The purchase would have helped domestic producers and fill part of the 115 million barrels of SPR capacity in the Reserve.

I am only trying to bring up dramatically that we have Governor Bush and the Republican leadership here criticizing President Clinton, Vice President GORE, for tapping the Reserve to try to bring prices down, and we know the Republicans have a history going all the way back to President Bush of tapping the SPR for similar reasons, but, at the same time, trying to abolish it altogether and not even have it available for use in a time like this, when prices have been going up.

So I am just glad that President Clinton acted on Vice President GORE's advice and decided to go ahead and tap the SPR, because we know it did have the impact of stabilizing prices and even reducing prices to some extent.

I would like to yield now to another one of my colleagues from Texas, the chairman of our Democratic Caucus, who has been chairing a task force on energy policy and has been very effective in not only bringing forth the message in terms of what the Democrats are trying to do here, but trying to get the Republicans to act on the Democrats' proposals.

Mr. FROST. Mr. Speaker, I thank the gentleman for yielding.

For the past 22 years, I have had the honor of serving the people of Texas, America's prototypical energy pro-

ducing State, so I know that we can achieve bipartisan consensus around energy policy if we want to.

Unfortunately, for 6 years this Republican Congress has been AWOL on energy policy, and, when they have not been asleep at the wheel, they have led the fight against energy independence for America, slashing energy efficiency programs, trying to eliminate the Department of Energy and selling off the Strategic Petroleum Reserve.

Earlier this year, gas prices surged around the Nation, and then, as now, the Republican Congress chose irresponsible partisan attacks against the administration, not reasonable responses with bipartisan support. Most outrageously though, this Republican Congress has consistently ignored or killed Democratic energy policies, and then turned around and tried to score political points when oil prices went up.

For more than 6 months, for instance, the United States has been in a weaker position to negotiate with OPEC, because the Republican Congress continues to withhold one of the President's chief tools for dealing with an energy crisis, the clear authority to fully use the Strategic Petroleum Reserve.

This winter, families in the Northeast face a repeat of last winter, record high home heating prices, because this Republican Congress refuses to create a Northeast Heating Oil Reserve. Just last week, in a fit of partisan pique, Republican leaders again played politics with these two key pieces of America's energy security arsenal, deleting them from the energy and water appropriations bill.

In the midst of an energy crisis, this Republican Congress still refuses to take the simplest of steps to increase America's energy independence. Fortunately, President Clinton and Vice President GORE have showed their leadership to ignore Republican partisanship and to act decisively and appropriately to address our immediate energy problems. After the President announced that he would address shortages by swapping oil out of the Reserve this year in exchange for more oil next year, oil prices dropped nearly \$6 a barrel, their lowest level in almost a month. In contrast, oil prices immediately jumped when Republican Representative JOE BARTON of Texas announced that he would try to stop the oil swap.

While we are on the subject of the Reserve swap, let me take a minute to clear up some misconceptions being perpetuated by some of our Republican friends.

First of all, Republicans like to attack the President's move as political. Well, was it political for northeastern Republicans to call for deployment of the Reserve? Hardly. They, like AL GORE and the rest of us, are trying to

do what we can to protect families from having to choose between heating their homes and buying groceries this winter.

Indeed, families in the Northeast are facing the prospect of another winter of low oil inventories and high home heating oil prices, as much as 30 percent higher than last year. Across the country, gas prices are still too high. It would have been irresponsible, a terrible abdication of leadership, to ignore this coming energy crisis in the way Republican leaders are trying to do.

Second, Republicans claim the President risked national security by using the Reserve to help families suffering from the energy crisis. This is as hypocritical as it is ridiculous. After all, did it threaten national security when this Republican Congress sold off 28 million barrels of oil from the Reserve to pay for its budget priorities in 1996? Did it threaten national security when this Republican Congress stopped the administration from increasing the Reserve's inventory last year, when oil prices were at just \$10 a barrel, which would have strengthened the Reserve and helped domestic producers? And did it threaten national security when Republican leaders, like the gentleman from Texas (Mr. DELAY), the gentleman from Texas (Mr. ARMEY), and the gentleman from Missouri (Mr. BLUNT) tried last year to abolish the Strategic Petroleum Reserve altogether? Probably so.

But by swapping oil out of the Reserve now for more oil next year, the President's action will not just help consumers this winter, it will also strengthen the Reserve and increase national security. In fact, the Department of Energy announced yesterday that its swap agreement with 11 oil companies had been completed, and that it would yield the Reserve a net increase of 1.5 million barrels of oil.

Once you put politics aside, it is clear that the administration's action was good for families in the Northeast beset by high home heating oil prices, and it was good for us in Texas, where long distances and high gas prices can take a real toll on people's pocketbooks.

Fortunately, where American consumers see an energy crisis, Republican leaders see a political opportunity; an opportunity to score political points against a President they despise and an opportunity to cover up their 6-year record of negligence on energy independence. That is profoundly disappointing, because there is no doubt about the seriousness of home heating oil shortages this winter and continued high gas prices.

This Republican Congress has the ability and the responsibility to do more than just play partisan blame games while American consumers are suffering. Congressional Democrats, President Clinton and Vice President

GORE, have consistently tried to develop a comprehensive energy independence policy that has broad support across partisan, regional and industry lines. We have worked to reduce America's dependence on foreign oil by encouraging environmentally friendly domestic production.

Under the Clinton Administration, natural gas production on Federal lands on shore has increased nearly 60 percent since 1992, and under the Clinton Administration, oil production offshore in the Gulf of Mexico has increased 62 percent since 1992. But, again, Republican leaders have preferred politics to progress, so Republican energy policy pretty much starts and ends at drilling in the pristine Alaska National Wildlife Reserve, despite the fact that it would not result in a drop of oil on the market for years and despite the fact that the most recent U.S. Geological Survey estimates make clear that the amount of recoverable oil, which amounts to less than 6 months of U.S. domestic oil consumption, is not nearly enough to justify despoiling forever this pristine wildlife reserve.

In contrast, Democratic tax incentives for marginal wells and to further increase domestic production, which have broad support, have been ignored in this Republican Congress. Republican leaders have been even more hostile to our efforts to increase energy efficiency and develop alternative energies. Over the past 6 years, the Republican Congress has underfunded solar, renewable and conservation programs by \$1.3 billion below the President's request, and, if Republicans had not cut the weatherization assistance program by 50 percent in 1995, then 250,000 more households could have been helped, which would have decreased demand for oil.

When Republicans first took control of the Congress, they voted to kill the Low Income Home Heating Energy Assistance Program, LIHEAP, which helped the neediest Americans in the midst of an energy crisis, and the following year Republicans proposed changing LIHEAP so that disadvantaged families could be forced to choose between buying food and heating their homes.

For the past 6 years, the threat to America's energy security has come from this Republican Congress and its refusal to treat energy policy as anything other than a partisan political opportunity. It is long past time that Republican leaders finally stop playing political games with oil prices and began working with us to give America the common sense, comprehensive energy independence policy it needs.

I thank the gentleman very much for taking out this special order, so that we could discuss these very important issues with the American public.

Mr. PALLONE. I want to thank my colleague from Texas.

If I could just reiterate two of the things the gentleman mentioned, because I think they are so important, one is this whole effort by Governor Bush and the Republican leadership now to insist that, because of the crisis in oil prices, that we have to now threaten the environment again, either with drilling in ANWAR and Alaska or offshore the continental coast of the United States.

As the gentleman points out, this has no immediate impact. I mean, we are not talking pie in the sky here, we are talking about our constituents, and being from New Jersey and the Northeast, I know this is an immediate crisis that people are facing. They do not want to hear about what is going to happen in a few years; they are facing the crisis now.

The one thing that President Clinton's proposal by tapping the SPR does was to actually reduce prices, and ultimately I think stabilize a market in a way that has an immediate impact. That is what is really important.

I never cease to be amazed how our Republican colleagues talk about policy, but they do not seem to respond to the immediate need that people have, and that is what Vice President GORE and President Clinton were doing when they talked about the need to tap the SPR.

The other thing that I think is so important that the gentleman pointed out, and we do not hear that too often, is this idea that by the Republicans not pursuing a real energy policy for our country, it leaves us weak to foreign exploitation.

I think what I have noticed with President Clinton and Vice President GORE is they keep saying that we need to tap the SPR, not only because of the immediate impact on prices, but because it has an impact on our ability to influence OPEC and the cartel, the oil cartel, if you will, that is trying to drive prices up.

As the cartel and OPEC know that we are going to take action on our own and tap the SPR, they realize that they cannot influence prices as much as they have been able to and take advantage of the situation over the last 6 months.

So, again, we need to make some policy initiatives here. Certainly the Republican leadership in the Congress has not been willing to do it, and the administration has essentially had to act on its own with regard to the SPR and the decision also to move to create this Northeast Home Heating Oil Reserve. But, at the same time, instead of reacting positively to that, the Republican leadership comes here and says, oh, no, we do not want the Northeast Heating Oil Reserve, and we do not want you to be able to pass the SPR, and they passed the energy and water appropriations conference bill last week that actually would eliminate both of those options.

It is an outrageous step. It is outrageous that at a time when the American people are crying for some action to deal with the rise in oil prices and the rise that is going to result in home heating oil, as well as natural gas prices, and the response of the Republican leadership in the Congress is to say no, we do not want you to be able to tap the SPR. We want to pass legislation that says you cannot pass the SPR and pass legislation that says you cannot set up this Northeast Home Heating Oil Reserve. I just cannot believe that that is their response to the public outcry for the need to action to address the crisis.

I wanted to, in the time that I have left, I wanted to develop a little more the reason why I believe very strongly that the Republican leadership here in the House has not only failed to address the immediate energy needs, but is really trying to dismantle and eliminate any effort to set any kind of U.S. energy policy that would create independence on our part for the future.

□ 1700

And I wanted to give some examples of action that has taken place either here or in the other body over the last few weeks. Just last week or within the last 2 weeks, Senator MURKOWSKI from the other body came to the floor, once again, to push for drilling Alaska's last remaining open space, the Arctic National Wildlife Refuge. Not only is he advocating what I consider a policy of destruction; but as I mentioned before, drilling the Arctic Refuge will not produce a drop of oil for several years, and, on the other hand, would only produce several months' worth of supply, while destroying this precious resource for future generations.

We have said over and over again, both in the House and in the other body, that we do not want to tap ANWR, the Arctic Refuge, because of the negative impact on the environment.

What I see now is my colleagues on the other side of the aisle trying to use the current crisis as an excuse to go against what has been a bipartisan position, not to drill in the Arctic Refuge. What I would suggest is that instead of trying to drill the Arctic Refuge, we should be banning exports of Alaskan oil to other nations.

I think a lot of people are not even aware of the fact that we are now on a daily basis in the process of exporting Alaskan oils to other countries, Japan and other countries.

If we really want to take some action that is going to have an impact on prices here, use that, make that oil available here, rather than ship it overseas.

Mr. Speaker, the other thing I would say, too, is that we had the GOP, and I call it the Big Oil GOP leadership on the other side of the aisle, in both the

House and the other body. We are reluctant to investigate whether the oil companies were profiting excessively from gas price spikes this summer.

They do not even want to let us investigate the problem and try to come up with a solution. And I guess the fear is that if the investigations proceed, it is going to uncover that the oil companies are trying to undermine the concerns of the American people and show that they are really in league, essentially, with OPEC and the cartel to try to drive up prices.

Now, the Clinton administration did the investigation and the investigation that they did proved that the increase in prices this summer was not due to environmental standards, as the Republican majority has alleged, but in fact was a result of the oil giant's greed and their effort to simply drive up prices.

Mr. MARTINEZ. Mr. Speaker, would the gentleman from New Jersey (Mr. PALLONE) yield for a question?

Mr. PALLONE. On this point?

Mr. MARTINEZ. Yes.

Mr. PALLONE. I will yield, not the whole time, but sure I would yield for a question.

Mr. MARTINEZ. Has the gentleman visited the area up there?

Mr. PALLONE. The Arctic Refuge?

Mr. MARTINEZ. Yes.

Mr. PALLONE. No, I have not.

Mr. MARTINEZ. I have. I used to hear stories all the time about how building of the pipeline and all the rest of the things they were doing and exploration up there, that would hurt the caribou herds and destroy the tundra. And I was quite surprised when I went, actually, that upon visiting the area, the first place the area where the oil drilling is taking place is so cold that the workers cannot be out there for any more than a short length of time, and they have to be brought in and relieved by other workers.

I actually asked the rangers there, because the environmentalists were so concerned about the destruction of the environment, as the gentleman has suggested, how many people had actually visited the area of the previous year, and there had been three people visiting the area. And he said awhile back, a couple of years back, there was actually more than that that visited, because there was the big debate about whether or not to drill there in that period of time, and they were mostly people that were protesters of the drilling there; there was 12.

Now, the closest they could get to that area is a mountain peak, which is quite a few miles that you can see right down across the whole flat area, where they would contemplate drilling. And there is nothing there.

It is absolutely barren, but what I did see, and I was really surprised, as we were traveling along the road alongside of the pipeline, I looked out there and

I saw thousands and thousands of caribou, thousands of them. And I had to get down and take a picture. I asked the bus driver to stop the bus, and I went on down.

Now the one big thing that everybody was concerned about then, they even caused the people who built that road to build ramps over the road so the caribou could cross over, because that would be the only place that it would cross over because of the pipeline there. And so I got down—let me finish this one statement.

Mr. PALLONE. I will, then I want to move on.

Mr. MARTINEZ. I got down off the bus to take a picture, and I was busy snapping a picture out here of all of these caribou out there; and all of a sudden, I realized there was something very close to me. At the buttress of the support for the pipeline, there was a caribou standing there eating, munching the tundra and looking at me, and I turned around and took a picture. I have a picture. I would like to show the gentleman. And he was absolutely so close to me I could almost reach out and touch him. He did not seem disturbed at all.

Then I noticed that the caribou were crossing, not over the ramps they built for them, but anywhere, anywhere along that road.

So I am wondering, and the question that I have for the gentleman is, if this is to be so pristine that it is going to be disturbed and it has not seemed to do it yet, would we not rather have that oil than be dependent, because 18 years after when I got here, they were still arguing and complaining about being dependent on OPEC and the oil over there, and in 18 years we have not developed a policy.

The gentleman from Texas (Mr. STENHOLM) stood here and said he has not heard any talk here in the Congress or in the White House about developing a strategy or developing.

Mr. PALLONE. Mr. Speaker, let me answer the gentleman's question. I am willing to give the gentleman some time and that is fine. I would like to answer the question and move on, because I do have other things to say. Let me just answer the gentleman's question. Then I will not yield to the gentleman any more, because I want to finish with my comments.

I do appreciate the fact that the gentleman came to the floor and expressed his concern. I understand that some people would like to explore in the Arctic Refuge, but I think that in many ways, your comments make me feel even more strongly about why it should not be taking place. Obviously, when the gentleman went there, it was a very beautiful area; the gentleman was witnessing the wildlife. The gentleman seems to feel that whatever has happened so far has not had an impact,

but it is obvious from what the gentleman witnessed that it is a very sensitive area, and there is a lot of wildlife. And it is a very beautiful, pristine area.

I would maintain that given that fact and given the fact that we are not really talking about that much oil over the long time that is going to impact, I think, U.S. energy policy that we should not take the risk; that the very fact that it is difficult to get there and it is difficult for people to deal with the situation there means that if there was a spill or if there were environmental problems, it would be that much more difficult to clean it up.

Mr. Speaker, I think that the environmentalists take the view that this is a beautiful, pristine area. There is a terrific risk involved, a significant risk, because of the delicate nature of it, and the fact that it is so far away and difficult to access; and that it should not be tapped for that reason; and that if we have to make a decision and weigh the risks that it is just not worth the effort.

It is very similar to what I have in New Jersey. There have been proposals by mineral management's agency to develop offshore oil resources off the coast of New Jersey. And arguments have been made back and forth about whether it is a good idea. And basically my position, because I represent the coastal area where this would take place, has been we have a huge tourism industry. We make billions of dollars every year from having safe beaches and clean water. Frankly, we do not want to take the risk, because we know that the amount of oil that is available there probably would only be a few months in terms of America's supply, and it is just not worth the effort.

So I think part of it is weighing of the risk, and I just do not think it is worth it in the case of ANWR. I will not yield again. I do not mean to cut the gentleman off. I have a lot more to say.

Mr. MARTINEZ. The gentleman has a lot more time. I just have one question.

Mr. PALLONE. I do not have that much more time, I will not yield to the gentleman any more. I thank the gentleman for coming down.

Mr. Speaker, I have another one of my Democratic colleagues here that is joining me here. But just before I yield to him, I just wanted to make a few more comments about the Republican opposition to the tapping of the SPR. And I just want to point out, as some of my Democratic colleagues have, how politically motivated this was, because as we know in the past, the Republicans have not hesitated to sell off the SPR, to tap the SPR, for reasons not related to national security or even advocated that there not be an SPR and it be abolished.

It is interesting that in this case, when the President suggested that he

was going to move forward and tap the SPR because of the high oil prices, there were some Republicans also that joined with the Democrats saying that that was a good idea. In fact, over 100 House Members, including 20 Republicans, such as the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and the gentleman from New York (Mr. LAZIO) of the House Committee on Commerce, sent a letter to President Clinton requesting the tap.

I, for one, would not heed the allegations, if you will, of the big oil ticket, the Bush-Cheney ticket that somehow this is a bad thing. Because if you will notice, even if you are a Republican and from the Northeast, you think it is a good idea, because my colleagues are concerned about the impact on your constituents in New Jersey, New York and the other States that are being negatively impacted by these high oil prices.

The other thing that I think is very interesting is that actually we have not even had opposition from the oil industry or even from some Members of OPEC to the tapping of the SPR.

We had a situation where this was quoted in the Washington Post last week where John Lichtblau, I do not know if I am pronouncing it properly, the chairman of the Petroleum Industry Research Foundation, said that the price drop that occurred after the SPR was tapped reflects the fact that inventories will be increased. He went on to say while very recently there have been speculation about \$40-a-barrel oil, now there is speculation that will drop to below \$30. He actually thought it was a good idea that we tap the SPR.

We had the Venezuelan oil minister and OPEC president, Ali Rodriguez, affirm the administration's belief and intent in releasing oil from the SPR in that same Post article where he said I think oil prices will not remain at their high levels.

My point is, I do not even see opposition necessarily from the industry or even from OPEC, because they understand that prices were going up and they needed to be stabilized. I really do not have any clue where Governor Bush and Vice President nominee Cheney are coming from where they criticize the Democrats and the Vice President and the President for tapping the SPR. It just seems like they just do not care about the impact on the American people.

Mr. Speaker, I yield to my colleague, the gentleman from the State of Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank my colleague, the gentleman from New Jersey (Mr. PALLONE), for yielding; and I come here just to add to some of the gentleman's comments when the gentleman was discussing the fact that this is, in fact, very bipartisan.

I understand all the rhetoric during the campaign trails, and I understand

that two people that are largely involved with the oil industry are trying to make this a political situation; but that, in fact, is not the case. I was one of those 114-plus Members that signed a letter to the President asking him to do a number of things that would improve the energy situation.

I joined a number of my colleagues from the mid-Atlantic States, as well as from my home State of Massachusetts and New England in talking with the President and the Department of Energy as far back as last winter when these problems originated. We have consistently asked the President to take the kind of preemptive moves that we thought were necessary setting up a reserve for the Northeastern area, releasing fuel from the SPR, from the Strategic Petroleum Reserve, to cover that difference.

Trying to make this into a case where people think that that release was to cover all of our needs is way off base. The fact of the matter is there is a gap between what is produced and what is consumed, and it is only that gap that we are trying to affect. We asked the OPEC countries to produce more oil, and they are trying to do that.

We have asked the non-OPEC foreign producers to produce more oil, and they tell us they are trying to produce it. We now need to go to the domestic producers who have not been producing more. In fact, in a hearing with the Committee on Government Reform, at which I was present, one of the officials from the Exxon-Mobil company was questioned; and the answer was they, in fact, made 272 percent more profits in the second quarter of 2000 than in the second quarter of 1999, while simultaneously reducing their production budget by some 30 percent.

Most of the domestic oil producers, the large companies, have, in fact, been making enormous profits in comparison to the previous year and have been cutting back.

The President did a responsible thing that Democrats and Republicans have asked him to do. There were any number of Republicans from the mid-Atlantic States and the Northeastern States that joined in that letter to the President asking him to do something with the funds, asking him to set up a New England reserve and asking him to release some of the Strategic Petroleum Reserve.

Our colleagues on the Republican side from New York, one of them is running for the Senate, the gentleman from New York (Mr. GILMAN), our colleagues from Maryland, our Republican colleagues from Connecticut, and so on, one of our colleagues from Maine is a Republican. The fact of the matter is, this is geographic in nature of where the hurt is going to be felt, and it is nonpartisan in terms of people trying

to help their constituencies and getting the President to do the right thing.

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We should not politicize this. We should understand that we have to ask every oil producer, whether they are domestic or foreign in nature, to step up to the plate and produce some more oil. They can do that, and it is about time that they step forward and do that, but also understand that the Republican party has a responsibility here. It is that party that has been prohibiting the President from having the flexibility he needs because they have not reauthorized the strategic reserve clauses of the act that need to be dealt with.

There is no excuse for that. They have let it lapse most recently in March, right in the middle of this oil situation, and that is just not responsible.

They have still yet to put the authorization language in for the Northeast reserve. We have made the appropriations on that. A responsible government would make sure that we have the authority in the President to release the Strategic Petroleum Reserve as and when needed in small amounts.

That would be far more responsible than what was done by the Republican majority in 1996 and 1997. At that point in time they did not swap what was in the Strategic Petroleum Reserve, they sold it, about \$227 million dollars in 1996 for the sense of bringing down part of the deficit, and about \$227 million in 1997 to pay for some other appropriations that they wanted to pay for. They sold it, they did not swap it.

In fact, last year when we on the Democratic side wanted to have the President get authority to buy 10 million more barrels, that was shot down by our friends on the Republican side. So we could have been increasing the Strategic Petroleum Reserve at an interim at a low price when it was down to \$10 or \$12 a barrel, and that was rejected.

This is the same group that on occasion has voted to get rid of the Department of Energy, and along with it any Strategic Petroleum Reserve at all, and now for political reasons they are saying, gee, it is a national security issue that we are going to swap some. Unlike them, the President was not going to sell it, he was going to swap it.

As a consequence of that, we are actually going to get 1½ million more barrels back a year from now than it was actually swapped out in the interim period, so we are going to have an increase in the Strategic Petroleum Reserve that our friends on the other side of the aisle wanted to eliminate altogether.

So if they really want to talk about security, let us do the sensible thing

here and support the President's action. Let us make sure people in the mid-Atlantic States and Northeast and elsewhere that might be really jeopardized by the severe cold winter, make sure that the supply is there, make sure we are doing everything we can do; and most notably, for those that have low incomes, make sure the LIHEAP monies get out to people, just as the President has done, so they can fill their tanks while it is lower and make sure they have the best possible opportunity to weather this winter.

I thank my colleague, the gentleman from New Jersey, for taking the time and giving me the time to address this sure. The record must be set straight: This is not about politics, this is about people's health and safety, as well as our Nation's security.

Mr. PALLONE. Mr. Speaker, I thank the gentleman, because I think what he is pointing out, and the Democrats have all been pointing out this afternoon, is that we are just trying to address the problems that the average person faces leading into the winter months.

It was really encouraging to see that on our side of the aisle, on the Democratic side, we started off this afternoon with two colleagues from Texas. We might think, why do they care about the Northeast? But they obviously do. They both said very emphatically how important it was to try to address the price issue and set up the Northeast Petroleum Reserve, which I know the gentleman and other Members from the Massachusetts delegation have been very much involved with.

That is what this is all about. That is what the President and the Vice President, they represent the whole country and they have to worry about people all over the country. I just think it is commendable that we are here expressing that concern, and we have colleagues on the Republican side saying, oh, no, that is not the way to go.

Mr. TIERNEY. If the gentleman will yield, Mr. Speaker, during our committee hearings we also heard a lot of talk about the fact, whether or not this oil could be processed, that refineries were running at capacity and whatever.

What we found out is that that was just more rhetoric, also. The refineries generally run at 95 percent, 96 percent, during the months just past. Then there is a retooling period, and in our favor, just at the end of this month, that will be over and they would be down to a capacity of 90 or 91 percent, which they can then kick back up to 95, 96 percent, to get out this home heating oil.

That is a circumstance working in our favor. In fact, people within the industry are welcoming this. The Department of Energy has been talking with people within the industry. Oddly enough, they also understand that

there is a situation out there that needs to be addressed and they are cooperating. So that is another reason to take it out of the political realm and leave it in the realm of people's security, safety, and health.

Hopefully we will have that sort of discussion, and not the sort of rhetoric that has been going around.

Mr. PALLONE. I appreciate the gentleman's comments. Of course, I have been talking about the lack of a GOP energy policy, but I could just mention briefly here for maybe a few minutes or so that the administration, the Clinton-Gore administration, for the last 7 years has been trying to get the Congress to enact a really positive energy policy. Of course, for 6 of those 7 years they have had to deal with the Republican leadership that has simply not been willing to adopt it.

Just to give an example, because I keep hearing the Republicans saying they want to open up ANWR, they want to do drilling offshore, but earlier this year when we passed an appropriations bill in the House, the President had come forward with his budget proposing major initiatives for energy efficiency, energy conservation, alternative sources of energy.

The House bill that passed, the House appropriations bill that passed I guess in July or so, had \$201 million less than the President's request with regard to energy conservation and \$71 million below the existing appropriations level for energy conservation. This was at a time when we were already starting to experience higher prices and less ability to get foreign oil from OPEC.

Just to give an idea of these cuts and how they cut what the President had proposed, it was a \$143 million cut, a complete elimination of applied research and development at the Department of Energy for certain conservation programs. They canceled 400 R&D projects in 33 States by 15 Federal labs, 22 universities, and others. There was a \$14 million cut in the Low-income Home Weatherization Assistance Program, which would mean about 7,000 fewer low-income families would have their energy bills reduced. There was a \$2 million cut from industrial co-generation, which funds R&D.

Then, in that appropriations bill, there was \$67 million less than the President's request for solar and renewable energy. There were cuts in biomass fuels and biopower R&D, reductions in solar electricity R&D, cuts in R&D for wind power, which if adequately funded would be competitive just within a few years.

I could go on and on here, and I will not because I am running out of time.

Mr. TIERNEY. Mr. Speaker, if the gentleman would yield before he runs out of his time, when I hear people start to politicize this and say that it is a national security issue to swap oil

out of the Strategic Petroleum Reserve, one thing we have to remind people is that it is a swap, and the oil will come back with additional oil.

Secondly, the very people who are making that acquisition now are the people who in 1995 filed a bill that was known as H.R. 1649, the Department of Energy Abolishment Act.

As part of that act, it would ask to eliminate the reserve totally and sell off 571 million barrels of oil. Now, there are 35 people on the other side of the aisle that signed onto that, including three of the very highest members of their leadership, who are the same people now who have the audacity to go on the floor or elsewhere and start to say that a swap is somehow affecting national security.

So not only is it totally wrong and it is not affecting national security in any adverse way, and it is what our allies and what other foreign countries think is a good thing to do, as well as business and others, but it is absolutely contradictory to their past behavior and their past comments.

I think the public can pretty much get in line as to whether people are acting as statesmen or politicians when they make assertions like that. I am going to let it go at that message and defer back to you, but I think it is important for people to know that this was a good move. People in the Northeast and New England, and Massachusetts in particular, are very pleased that the LIHEAP money has gotten relieved. Our people and low-income seniors will have that relief.

We are pleased there is a Northeast reserve being set up so the gap can be addressed, and hopefully keep the supply up and the prices somewhere within the stratosphere. We are very pleased that the President indicated he was going to release from the Strategic Petroleum Reserve, and already we have seen the prices drop on that, except for a slight rebound when Members on the other side of the aisle indicated they would try to block it.

The psychological effect, already a month before it hits the market, has shown it is bringing prices down. That is going to help our seniors, people in our districts generally, and our small businesses, who cannot stand the kind of high prices that are going on and still be productive and get their business done in a way to support their families.

Again, I thank the gentleman for allowing me to address this on the floor. I think it is important to get this information out.

Mr. PALLONE. Mr. Speaker, I thank the gentleman for coming down and joining us during this time.

I think we have a couple of minutes left, so I would just like to point out, Mr. Speaker, that all the Democrats are really asking is that instead of trying to reverse the positive steps that

the administration is taking and making these false accusations, that the GOP adopt a sound energy policy and pass the measures that the Democrats have been advocating and that have been proposed by the Clinton and Gore administration in its budget request.

Above all, we should be implementing measures that sustain our natural resources, practical measures that would conserve energy, promote our long-term energy security, and promote international competitiveness and alternative energy resources, all without sacrificing our economic growth.

For example, before we adjourn, the GOP leadership should pass the administration's request for funding and tax incentives for energy efficiency and renewable energy measures, efficient energy research and development, weatherization, and alternative fuel vehicles and mass transit.

I also urge my colleagues on the other side of the aisle to pass legislation banning the export of Alaskan oil. Earlier last week, one of my colleagues on the Democratic side introduced a bill promoting wind energy. This is the kind of creative thinking we need to reduce our dependence on domestic and foreign fossil fuels.

Unfortunately, the Republican majority has done the opposite. It has vastly underfunded programs for the past 6 years that my Democratic colleagues and I and President Clinton and Vice President GORE have promoted, programs that would have conserved energy and prevented the situation we now face.

The Republican majority has an opportunity in the waning days of the Congress, we have a couple of weeks left, to reverse their course and help us pass sound legislation to avert an even greater energy crisis this winter. I would certainly urge them to do so.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4578) "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes."

ISSUES REGARDING OIL PRODUCTION AND CONDITIONS IN RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I came down here to talk

about rural issues, but I feel a little compelled to talk a little bit about what was just discussed.

I come from Pennsylvania, and in fact 5 miles from my home the first oil well in America was drilled, Drake's well. So I come from an area where my district had four refineries, we only have three now, but an area that has been in the oil business since it started. It is where all the major oil companies in America started, in western Pennsylvania, because that is the first oil field that was developed.

It is interesting to talk to people about these simple ways to fix this problem when it is obvious they have never been in a refinery and they certainly do not understand the oil business.

I am going to just back up a little bit and talk about the problem we have with oil going from \$10 to \$35 a barrel. It is because we have been 1 million or more barrels short per day in our volume that is necessary, so we are gradually creating a shortage. When we have a shortage in the marketplace, we drive the price up.

We still have a shortage in the marketplace. We are still not importing and domestically producing enough oil to build up a supply.

Normally, in the spring, refineries have all of these tank farms full of gasoline because they cannot produce enough gasoline in the summertime for us to drive our cars as much as we do, so they build those supplies.

In the summertime and in the fall, they build up the supplies of home heating oil, and they have this reserve. This country is way behind. All the refineries are way behind in building up just the normal stocks that they need for this winter for home heating.

Now, we are talking about instantly starting a reserve for New England. In Pennsylvania, a number of years ago when we had the first energy crisis, we had reserves. We had oil and gasoline and fuel oil set aside. Then it was allocated. That is what they are talking about to help themselves in New England when the pipeline is only half full, and it needs to be full to have enough to do the winter. If we put some in a set-aside reserve, we cause a shortage.

I remember when I argued with our Department of Energy in Pennsylvania because we were having this problem every year, and I spent half of my time helping people get fuel oil or gasoline for the gas stations.

I said, I think we are close enough in volume now where if you would not have anything in reserve this year, the system would work. And we argued for weeks. Finally they did that, and we did not have any problem that year.

But the problem we have now, no matter what we do, the refineries in America cannot fill those tanks to supply us, and especially if we have a cold winter, we really are in a dilemma.